



**FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

May 17, 2004

**VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
AND FACSIMILE**

Key Financial Corporation  
Attn: James Curry, Executive  
Jeffrey Dell, Senior Vice President  
8550 Ulmerton Rd., Suite 132  
Largo, FL 33771

RE: EB-04-TC-009

Dear Mr. Curry and Mr. Dell:

This is an official **CITATION**, issued pursuant to section 503(b)(5) of the Communications Act of 1934, as amended (the Communications Act), 47 U.S.C. § 503(b)(5), for violations of the Federal Communications Commission's rules that govern telephone solicitations and unsolicited advertisements.<sup>1</sup> As explained below, future violations of the Commission's rules in this regard may subject your company to monetary forfeitures.

By letter dated January 15, 2004, the Telecommunications Consumers Division of the Commission's Enforcement Bureau notified you of consumer complaints regarding telemarketing calls that your company, or an entity acting on behalf of your company, made to telephone lines that are contained in the National Do-Not-Call Registry, and provided you an opportunity to submit information to demonstrate the lawfulness of those calls.<sup>2</sup> You responded by letter dated February 11, 2004.<sup>3</sup> You do not dispute making such calls. However, you claim that the calls are exempt because they are calls to set an appointment for a face-to-face interview with a loan officer, and that your company "never sells anything or takes any money or credit

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<sup>1</sup> 47 C.F.R. § 64.1200. A copy of these rules is enclosed for your convenience.

<sup>2</sup> We have attached 97 complaint(s) on which this citation is based. Complaints are from the states of California, Florida, Ohio, Alabama, and Virginia.

<sup>3</sup> Letter dated February 11, 2004 from Jeffrey Dell, Sr. Vice President, Legal/Compliance, Key Financial Corp., to Kurt Schroeder, Deputy Chief, Telecommunications Consumers Division, Enforcement Bureau, File No. EB-04-TC-009 ("February 11, 2004 Letter").

card information over the phone.” Your February 11, 2004 Letter cites section 310.6(a)<sup>4</sup> of the Federal Trade Commission’s Telemarketing Sales Rules as exempting such calls.

This Citation does not determine whether 16 C.F.R. § 310.6(b)(3) applies to your company’s calls to consumers on the National Do-Not-Call Registry. The FCC has adopted separate rules, codified at 47 C.F.R. § 64.1200, that govern calls made by your company. As discussed in more detail below, the FCC has also adopted exemptions for certain calls to numbers contained on the National Do-Not-Call Registry. Those exemptions do not, however, include an exemption similar to that adopted by the Federal Trade Commission in 16 C.F.R. § 310.6(b)(3). Your February 11, 2004 Letter does not claim exemptions under FCC rules and does not otherwise demonstrate that you have complied with such exemptions, nor does your February 11, 2004 Letter otherwise demonstrate that you have complied with the Commission’s standards governing use of the National Do-Not-Call Registry. Accordingly, we issue this citation.

Section 64.1200(c)(2) of the Commission’s rules generally prohibits the delivery of telephone solicitations to residential telephone numbers that are contained in the National Do-Not-Call registry except in certain limited situations. Under the Communications Act and the Commission’s rules, a “telephone solicitation” is “the initiation of a telephone call or message for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services, which is transmitted to any person.”<sup>5</sup> Calls made by or on behalf of tax-exempt nonprofit groups are not considered to be telephone solicitations. Similarly, calls that are made to a person who either has provided prior express invitation or permission to call<sup>6</sup> or has an established business relationship<sup>7</sup> with the caller are not considered to be telephone solicitations. Finally, the rules permit telephone solicitations to a consumer whose number is listed on the

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<sup>4</sup> We assume that your letter is referring to 16 C.F.R., § 310.6(b)(3) of the Telemarketing Sales Rule which exempts transactions in which the sale of goods or services is not completed, and payment or authorization of payment is not required, until after a face-to-face sales presentation by the seller.

<sup>5</sup> 47 U.S.C. § 227(a)(3); 47 C.F.R. § 64.1200(f)(9).

<sup>6</sup> Prior express invitation or permission to call a number contained on the National Do-Not-Call Registry must be evidenced by a signed, written agreement between a consumer and seller. The agreement must include both the consumer’s consent to be called by the particular seller and the telephone number to which such calls may be placed. 47 C.F.R. § 64.1200(c)(2)(ii).

<sup>7</sup> An “established business relationship” means “a prior or existing relationship formed by a voluntary two-way communication between a person or entity and a residential subscriber with or without an exchange of consideration, on the basis of the subscriber’s purchase or transaction with the entity within the eighteen (18) months immediately preceding the date of the telephone call or on the basis of the subscriber’s inquiry or application regarding products or services offered by the entity within the three months immediately preceding the date of the call, which relationship has not been previously terminated by either party.” 47 C.F.R. § 64.1200(f)(3). The established business relationship exception does not apply when a telephone subscriber has made a company-specific do-not-call request. A company-specific do-not-call request terminates an established business relationship for telemarketing purposes even if the requester continues to do business with the company. 47 C.F.R. § 64.1200(f)(3)(i); *see also Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991*, Report and Order, 7 FCC Rcd 8752, 8766 n.47, 8770 n.63 (1992); *see also* H.R. Rep. 102-317, 1<sup>st</sup> Sess., 102<sup>nd</sup> Cong. at 15 (1991); *Charvat v. Dispatch Consumer Services, Inc.*, 95 Ohio St. 3d 505, 769 N.E.2d 829 (2002).

National Do-Not-Call Registry if that consumer has a personal relationship with the individual making the calls.<sup>8</sup>

Accordingly, under the Commission's rules it is unlawful to deliver a telephone solicitation to a residential telephone line unless (1) the call is made by or on behalf of a tax-exempt nonprofit group; (2) the call is made by a person who has a personal relationship with the called party; (3) the called party has provided signed, written consent for the call to be made; or (4) the called party has made a purchase from, or had a transaction with, the caller within the 18 months immediately preceding the call or has made an inquiry or application regarding the caller's products or services within the three months immediately preceding the call, and the called party has not specifically asked the caller to stop all telemarketing calls.

Entities making telephone solicitations must honor do-not-call registrations no later than three months after a number is placed on the National Do-Not-Call Registry, and for a period of no less than five years. To accomplish this, section 64.1200(c)(2)(i)(D) requires entities making telephone solicitations to use a version of the National Do-Not-Call Registry obtained no more than three months before any telephone solicitation is made, and to document this process. An entity that does not claim one of the exemptions set forth above is not liable for calling a telephone number on the National Do-Not-Call Registry only if it is able to demonstrate that it has fully complied with the Commission's standards governing use of the National Do-Not-Call Registry as set out in section 64.1200(c)(2)(i)(A)-(E) of the rules, and that the particular telephone solicitation call was the result of error.

**If, after receipt of this citation, you violate the Communications Act or the Commission's rules in any manner described herein, the Commission may impose monetary forfeitures not to exceed \$11,000 for each such violation or each day of a continuing violation.**<sup>9</sup>

You may respond to this citation within 30 days from the date of this letter either through (1) a personal interview at the Commission's Field Office nearest to your place of business, or (2) a written statement. Your response should specify the actions that you are taking to ensure that you do not violate the Commission's rules governing telephone solicitation and unsolicited advertisements, as described above.

**The nearest Commission field office appears to be the Tampa Office at 2203 N Lois Avenue, Room 1215, Tampa, FL 33607-2356. Please call Al McCloud at 202-418-2499 if you wish to schedule a personal interview. You should schedule any interview to take place within 30 days of the date of this letter. You should send any written statement within 30 days of the date of this letter to:**

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<sup>8</sup> 47 C.F.R. § 64.1200(c)(2)(iii). A "personal relationship" exists if the recipient of the call is a "family member, friend, or acquaintance of the telemarketer making the call." 47 C.F.R. § 64.1200(f)(11).

<sup>9</sup> See 47 C.F.R. § 1.80(b)(3).

Kurt A. Schroeder  
Deputy Chief  
Telecommunications Consumers Division  
Enforcement Bureau  
Federal Communications Commission  
445-12<sup>th</sup> Street, S.W.  
Rm. 3-C366  
Washington, D.C. 20554

**Reference EB-04-TC-009 when corresponding with the Commission.**

Reasonable accommodations for people with disabilities are available upon request. Include a description of the accommodation you will need including as much detail as you can. Also include a way we can contact you if we need more information. Please allow at least 5 days advance notice; last minute requests will be accepted, but may be impossible to fill. Send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau:

For sign language interpreters, CART, and other reasonable accommodations:  
202-418-0530 (voice), 202-418-0432 (tty);

For accessible format materials (braille, large print, electronic files, and audio format): 202-418-0531 (voice), 202-418-7365 (tty).

Under the Privacy Act of 1974, 5 U.S.C. § 552(a)(e)(3), we are informing you that the Commission's staff will use all relevant material information before it, including information that you disclose in your interview or written statement, to determine what, if any, enforcement action is required to ensure your compliance with the Communications Act and the Commission's rules.

The knowing and willful making of any false statement, or the concealment of any material fact, in reply to this citation is punishable by fine or imprisonment under 18 U.S.C. § 1001.

Thank you in advance for your anticipated cooperation.

Sincerely,

Kurt A. Schroeder  
Deputy Chief, Telecommunications Consumers Division  
Enforcement Bureau  
Federal Communications Commission

Enclosures